

1 5 AUG 1978

MEMORANDUM FOR: Chief, Plans & Programs Staff, OL

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FROM:

[REDACTED]
Deputy Chief, Procurement Management Staff, OL

SUBJECT: S. 2525

1. A review of the subject draft has been accomplished and our comments follow. As previously mentioned in our 24 Feb 78 memo to you, Section 421 (a) (1) did cause some concern. The paragraph then read that specific approval was required by the DNI and the D/OMB as well as a report to Congress on any transfer of funds between CIA and other agencies. We felt that these constraints were too stringent and would inhibit the transfer of funds and contravene the intent of the Economy Act of 1932. This Act sought economy in Federal Government procurement through mutual assistance between agencies. The current draft has deleted only the requirement of a report to Congress on the transfer of any such funds between CIA and other agencies. However, it still reads that approval of the DNI and the D/OMB is required. We still feel this requirement is too stringent in that it appears to us that if we desire to procure a federal supply schedule item this involves a transfer of funds between the CIA and the GSA and as such would require specific approval by the DNI and the D/OMB. It is believed that this is too cumbersome a requirement under which the CIA would have to operate and we recommend that effort be made to eliminate the requirement of a specific approval by the DNI and the D/OMB. Such an approval should only be required when the transfer of funds occurs between CIA and other agencies which involve very extenuating circumstances warranting the highest level of concern and approval.

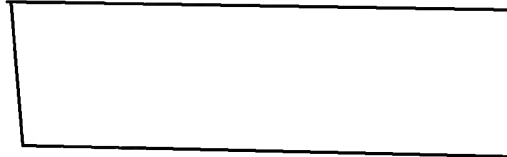
2. Under Section 421 (e) in the last sentence, a reference is made to a subsection (a). It is not known what is intended by this sentence. Perhaps a clarification could be made to facilitate a better understanding of the intent of this sentence, especially the (a).

SUBJECT: S 2525

3. Under Section 421 (h) the sentence reads ". . . and the Office of the Director of National Agency," It is believed that this should read ". . . and the Office of the Director of National Intelligence," This should be clarified as to the proper wording.

4. Under Section 421 (k) the sentence reads ". . . nor perform any internal security" It is believed that the word internal, if changed to the word domestic, would make it a clearer subsection.

Other than the above comments, it appears that the draft is acceptable to us.



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